

Commission Recommendation No. 2:

The Commission shall consider the appropriateness of monetary penalties, including discounts to rates, as a sanction for nonperformance to the extent SWBT misses due dates in the future. The monetary penalties shall be set a level sufficient to discipline non-compliance and to insure self-enforcement.

SWBT's Proposal:

SWBT favors the penalty structure approved by the Commission in the arbitrations. SWBT argued that any penalty structure should account for:

1. random deviations;
2. random sampling;
3. that CLECs have a different customer distribution;
4. that not all measures are independent; and
5. that CLECs have some control over some measures (e.g., a CLEC might request due dates later than that SWBT implements on its retail side).

SWBT would agree to negotiating a tailoring of the credit to address concerns relating to the "gaming" of the credit.

CLECs' Comments:

AT&T/TCG/MCI/WorldCom offered a proposal patterned after what CLECs offered in California. Their proposal includes the following features:

1. No monetary credits;
2. Three tier method of penalties;
3. 1st tier would see the CLEC obtain performance penalties if an 85% confidence interval is not met (current agreement has a 95% confidence interval);
4. 2nd tier, attributes a multiplier when more than 15% of measures are out of parity; and
5. 3rd tier, if more than 15% on a system-wide basis are out of parity, major penalty that would go to the Commission's designate rather than CLECs.

AT&T also suggested, only to the extent that the Commission wished to keep the credit structure, that the credits be revised so a credit can only be attributed to a penalty on the exact same measure. Today, the credit is applied to groupings.

Staff Recommendation:

Staff presents the following proposal for developing a penalty structure:

- (1) For tier 1, the confidence interval in the current agreement be applied and a revised credit process be adopted. Staff to make a recommendation, on a measure-by-measure basis, as to which measures would require liquidated damages.
- (2) Credits be allowed to offset penalties only for the exact same measure.

SWBT should also be able to offer bill and keep to CLECs using unbundled switching as an interim method until an industry solution is developed (possibly in a rulemaking).

M_{ILEC} = ILEC Average

M_{CLEC} = CLEC Average

$\delta_{DIFF} = \text{SQRT} [\delta_{ILEC}^2 (1/n_{CLEC} + 1/n_{ILEC})]$

δ_{ILEC} = Calculated variance for ILEC.

n_{ILEC} = number of observations or samples used in ILEC measurement

n_{CLEC} = number of observations or samples used in CLEC measurement

For Measures that are percentages or proportions:

$$z = (DIFF) / \delta_{DIFF}$$

Where;

$DIFF = P_{ILEC} - P_{CLEC}$

P_{ILEC} = ILEC Percentage or Proportion

P_{CLEC} = CLEC Percentage or Proportion

$\delta_{DIFF} = \text{SQRT} [P_{ILEC} (1 - P_{ILEC}) (1/n_{CLEC} + 1/n_{ILEC})]$

n_{ILEC} = number of observations or samples used in ILEC measurement

n_{CLEC} = number of observations or samples used in CLEC measurement

For Measures that are Rates or Ratio:

$$z = (DIFF) / \delta_{DIFF}$$

Where;

$DIFF = R_{ILEC} - R_{CLEC}$

$R_{ILEC} = \text{num}_{ILEC} / \text{denom}_{ILEC}$

$R_{CLEC} = \text{num}_{CLEC} / \text{denom}_{CLEC}$

$\delta_{DIFF} = \text{SQRT} [R_{ILEC} (1/\text{denom}_{CLEC} + 1/\text{denom}_{ILEC})]$

Staff presents the following proposal for developing the liquidated damages and penalty structure for tier-1 and tier-2 measurements:

Liquidated Damages payable to the CLEC should be available through an expedited complaint process with Commission, through a civil law suit, or as self-executing damages as part of contractual obligation. Damages are intended to remedy the specific and quantifiable harm caused to the CLEC resulting from the ILEC's failure to perform. Liquidated damages apply to tier-1 measurements.

Penalties are applicable to tier-2 measures and are payable to the Texas State Treasury. Penalties apply to broad outcome-based measures and are required to minimize discrimination and effects on competition. SWBT should submit a Corrective Action Plan to the CLEC within 30 days from the date of identification of the occurrence of non-parity performance. If SWBT fails to submit the plan, a penalty of \$5,000 per day past due applies.

Option 2:

Liquidated Damages Structure for Tier-1 Measurements:

Tier-1 damages apply when SWBT performance is out of parity or does not meet the benchmarks as shown in Attachment C.

- 1. Specified Performance Breach means the failure by SWBT to meet the Performance Criteria for any Specified Activity listed under tier-1 category disaggregated by services as outlined under performance measurement standards in Attachment A.*
- 2. Where monthly performance by SWBT for a CLEC on a Performance Measurement parity test yields a Z-test value of 1.96 or below for the Performance Criteria specified, no Specified Performance Breach occurs with respect to that measurement.*
- 3. SWBT performance on a single measurement for a CLEC for which the Z statistic is greater than 1.96 and less than 3.0 for the Performance Criteria will constitute a Specified Performance Breach if the same measure remains in this range for two consecutive months (liquidated damages of \$25,000 per occurrence for each measurement which remains in the above-stated range for two months).*
- 4. SWBT performance for a CLEC on any Performance Measurement in a single month for which the Z statistic is greater than 3.0, for the Performance Criteria, will constitute a Specified Performance Breach and will result in liquidated damages of \$75,000 per occurrence for each measurement payable to the CLEC for each such month.*

Penalty Structure for Tier-2 measurements:

Tier-2 penalties apply when SWBT performance is out of parity or does not meet the benchmarks as shown in Attachment C.

- 1. Specified Performance Breach means the failure by SWBT to meet the Performance Criteria for any Specified Activity listed under tier-2 category disaggregated by services as outlined under performance measurement standards in Attachment A.*
- 2. Where monthly performance by SWBT for a CLEC on a Performance Measurement parity test yields a Z-test value of 1.96 or below for the Performance Criteria specified, no Specified Performance Breach occurs with respect to that measurement.*
- 3. If more than 15% of the measurements under tier-2 are out of parity (Z-value is greater than 1.96 but less than 3.0) for two consecutive months, then a \$50,000 penalty, payable to the Texas State Treasury, would be applied for each occurrence of each measure over 15%.*
- 4. SWBT performance for a CLEC on any Performance Measurement in a single month for which the Z statistic is greater than 3.0 for the Performance Criteria will constitute a Specified Performance Breach and will result in a penalty of \$75,000 per occurrence for each measurement, payable to the Texas State Treasury.*

Option 3:

Liquidated Damages payable to the CLEC should be available through an expedited complaint process with the Commission, through a civil law suit, or as self executing damages as part of the contractual obligation. Damages are intended to remedy the specific and quantifiable harm caused to the CLEC resulting from the ILEC's failure to perform. Liquidated damages apply to Tier-1 measurements. Penalties are applicable to Tier-2 measures and payable to the Texas State Treasury.

Tier-1 Damages:

Tier-1 damages apply when SWBT performance is out of parity or does not meet the benchmarks as shown in Attachment C.

A penalty of \$25,000 for each occurrence is payable to the CLEC for each measure that exceeds the Critical Z value as shown in the table below. Under the damages for Tier-1 measures, the number of measures that are allowed to be out of parity are shown as K values in a sliding scale that is related to the total number of measures that are required to be reported to a CLEC. This provision is required to account for random variation, Type 1 and Type-2 errors. Type-1 error is the mistake of charging an ILEC with a parity violation when they may not be acting in a discriminatory manner. Type-2 error is the mistake of not identifying parity violation when the ILEC is providing discriminatory service.

Tier-2 Penalties:

Tier-2 penalties apply when SWBT performance is out of parity or does not meet the benchmarks as shown in Attachment C.

A penalty of \$50,000 for each occurrence is payable to the Texas State Treasury for each measure that exceeds the Critical Z value, shown in the table below, for three consecutive months.

Staff recommends that the following table be used for determining the Critical Z value under Option 3 for each measure, based on the total number of measures that are applicable to a CLEC.

Critical Z - statistic Table

| <i>Number of Performance Measures</i> | <i>K Values</i> | <i>Critical Z value</i> |
|---------------------------------------|-----------------|-------------------------|
| 70 - 79 | 6 | 1.68 |
| 80 - 89 | 6 | 1.74 |
| 90 - 99 | 7 | 1.71 |
| 100 - 109 | 8 | 1.68 |
| 110 - 119 | 9 | 1.7 |
| 120 - 139 | 10 | 1.72 |
| 140 - 159 | 12 | 1.68 |
| 160 - 179 | 13 | 1.69 |

| | | |
|----------------|----|------|
| 180 - 199 | 14 | 1.7 |
| 200 - 249 | 17 | 1.7 |
| 250 - 299 | 20 | 1.7 |
| 300 - 399 | 26 | 1.7 |
| 400 - 499 | 32 | 1.7 |
| 500 - 599 | 38 | 1.72 |
| 600 - 699 | 44 | 1.72 |
| 700 - 799 | 49 | 1.73 |
| 800 - 899 | 55 | 1.75 |
| 900 - 999 | 60 | 1.77 |
| 1000 and above | 60 | 1.79 |

General Penalties:

SWBT should submit a Corrective Action Plan to remedy performance disparity to the CLEC within 30 days from the date of identification of occurrence of non-parity performance. If SWBT fails to submit the plan, a penalty of \$5,000 per day past due applies.

SWBT should commence the implementation of the Corrective Action Plan to the CLEC within 15 days from the date of filing the plan, SWBT shall pay a penalty of \$5,000 per day for each day of delay to begin implementation.

If SWBT fails to submit performance reports by the 15th day of the month, the following penalties apply:

If no reports are filed, \$25,000 per day past due;

If incomplete reports are filed, \$1,000 per day for each missing performance result.

The following table shows the Critical Z values for each measure based on the total number of measures that are applicable to a CLEC.

Critical Z - statistic Table

| Number of Performance Measures | K Values | Critical Z value |
|---------------------------------------|-----------------|-------------------------|
| 70 - 79 | 6 | 1.68 |
| 80 - 89 | 6 | 1.74 |
| 90 - 99 | 7 | 1.71 |
| 100 - 109 | 8 | 1.68 |
| 110 - 119 | 9 | 1.7 |
| 120 - 139 | 10 | 1.72 |
| 140 - 159 | 12 | 1.68 |
| 160 - 179 | 13 | 1.69 |
| 180 - 199 | 14 | 1.7 |
| 200 - 249 | 17 | 1.7 |

| | | |
|----------------|----|------|
| 250 - 299 | 20 | 1.7 |
| 300 - 399 | 26 | 1.7 |
| 400 - 499 | 32 | 1.7 |
| 500 - 599 | 38 | 1.72 |
| 600 - 699 | 44 | 1.72 |
| 700 - 799 | 49 | 1.73 |
| 800 - 899 | 55 | 1.75 |
| 900 - 999 | 60 | 1.77 |
| 1000 and above | 60 | 1.79 |

Commission Recommendation No. 3:

SWBT shall establish that it has a consistent policy and time deadlines in responding to CLEC inquiries, as well as trouble and repair reports, and should design performance monitoring to measure its responsiveness to CLECs.

SWBT's Proposal:

Development of policies is generally being addressed in the Public Interest sessions.

CLECs' Comments:

CLEC coalition argued that an "average delay date delay resulting from resubmissions should be part of this measure. Resubmissions cause delay and all errors should be could in the first instance to limit the number of resubmissions on a particular order.

Staff Recommendation:

Pending resolution in the public interest sessions. This measure focuses on policies rather than measures. It is unlikely new measures will be developed pursuant to this recommendation. Instead, the recommendation will likely be subsumed in the policy discussion contained in the public interest sessions.

As to the CLEC coalition's specific proposed measure No. 7. on resubmissions, Staff believes this request goes beyond the Commission's recommendations. The proposed measure is not recommended because SWBT's speed in response to each submission is measured separately; therefore the time it takes to handle resubmissions is addressed. What the CLEC coalition seems to be proposing is something akin to "percentage accuracy to detect CLEC errors on a first attempt." Just as the CLECs review is manual, so is the first step review for SWBT. For a resubmission to be necessary, human error must exist on both sides; therefore, nothing would be shown by the measure. Further, the measure is partially in the CLECs' control since a CLEC that passes orders with 20 errors is more likely to need resubmits after SWBT catches some of those errors than a CLEC that passes orders with only 2 errors.

As to the CLEC coalition's specific proposed measure No. 20, "Mean Time to Notify CLEC of a Network Outage," SWBT has developed policies for implementing CLEC notification. When the LOC is notified of a major outage, each CLEC which has provided a Network Operations Center fax number is sent a fax. At the six month post-entry review, if CLECs present evidence that notifications have not been made in compliance with contract provisions, a benchmark measure could be considered.

Follow-Up:

This recommendation will be considered during the public interest discussions.

Commission Recommendation No. 4:

The Commission concurs with SWBT that the required measurement for E911 is the length of time required to clear an error; however, the definition and details of the measure should be established during the collaborative process.

Commission Recommendation No. 5:

SWBT shall provide measurements with regard to the timeliness of E911 database updates to establish that the 911 service provided to the CLECs is equivalent to that which SWBT provides to itself.

Commission Recommendation No. 6:

Benchmarks shall be established and reports made on performance measurement for a period of three months that demonstrate the timeliness of the E911 database updates for the CLECs and for SWBT. Specifically, a measurement shall be developed quantifying the amount of time that elapses between the time a CLEC's customer records are received by SWBT until the time these records have been accepted or rejected from the E911 database. A corresponding analogous measurement showing the timeliness of SWBT's own updates shall be reported for the same three month period.

SWBT's Proposal:

SWBT proposed that the following parity measures will be tracked and reported monthly for each CLEC, all CLECs and SWBT:

The average time it takes to clear an error after it is detected during the processing of the 911 database file. The clock will start upon receipt of the error file and end when the error is corrected. This is only on resale or UNE loop and port combination orders that SWBT installs. (See SWBT proposed measurement No. 88 in Attachment A.)

Average Time Required to Update 911 Database (Facility Based Providers)

Definition - The average time it takes to update the 911 database file. The clock starts when the data processing starts and ends when the data processing is complete. (See SWBT proposed measurement No. 89 in Attachment A.)

SWBT stated that a facility-based provider is responsible for updating the 911 Database with its customer information. The CLEC user logs-on and drops-off its TN file. The 911 FR/DBMS automatically begins processing the TN file one minute after the CLEC user logs off the system. A file is created that indicates the start and end time of the data processing. The number of records processed, the type of records processed, the number of errors and the types of errors are also provided in this statistics file. This information is currently provided to the CLEC in their home directory when processing is complete.

SWBT also stated that 911 database is updated every 4 hours.

CLECs' Comments:

MCI and WorldCom Proposed measures include a) Average Database Update Interval, b) percent due dates missed, and c) percent database accuracy. MCI stated that timely and accurate database updates are critical to customers receiving prompt emergency assistance at correct locations when they dial 911. WorldCom proposed that the database should be disaggregated by E911/911 ALI and selective router, and MSAG.

The CLEC coalition concurred with LCUG proposals; however, Time Warner stated that it is satisfied with the 4- hour update interval.

Staff Recommendation:

Met. Staff finds that SWBT's proposed measures meet the requirements of the recommendation. As it relates to the measurement, however, the performance data for all the measures for three months is pending. Also, the percentage accuracy measure will be discussed under Recommendation No. 1 for Checklist Item 7. Therefore, these measures are considered met, since data issues will be addressed as part of Performance Measure Recommendation No. 8.

Commission Recommendation No. 7:

SWBT shall initiate a policy to conduct traffic studies by obtaining busy hour data to know how a trunk group is performing and to know whether that trunk group needs augmenting. As a part of the traffic study, SWBT shall obtain peg overflow and usage counts, to determine the amount of lost traffic into a CLEC's switch from both tandems and end offices. These studies shall be made available to all interconnecting CLECs.

Commission Recommendation No. 16:

The Commission finds that SWBT must provide measurements for interconnection trunks for all CLECs to assure nondiscriminatory treatment. The measurements shall include: (1) Percent Trunk Blockage; (2) Common Transport Trunk Blockage; (3) Distribution of Common Transport Trunk Groups Exceeding 2%; (4) Percent Missed Due Dates; and (5) Average Trunk Restoration Interval along with the standard deviation. The measurements provided shall include data for individual CLECs, all CLECs, and SWBT.

SWBT's Proposal:

SWBT stated that the DIXC report provides information associated with the trunks; however, for two-way trunks, they do not have the capability to measure the traffic that originates from a CLEC switch. SWBT provided documentation to all parties for the DIXC information explaining the access methods to obtain the information via Internet FTP Site. SWBT will provide the following parity performance measures: a) Percent Trunk Blockage; b) Percent of local common transport trunk groups exceeding 2% blockage; c) Distribution Of Common Transport Trunk Groups Exceeding 2%; d) Percent trunk order due dates missed on interconnection trunks; e) Average time to repair interconnection trunks; f) Average Interconnection Trunk Installation Interval; and g) Standard Deviation of Interconnection Trunk Installation Interval.

Additionally, in response to CLEC coalition Proposed Measure No. 21, SWBT will add a measure for the % interconnection trunks repaired within 24 hours and compare the CLEC measurement to that of SWBT trunks. The measure suggested by the CLECs is not appropriate because SWBT does not give estimated repair times for trunks. Consequently, a measure cannot be developed to measure the accuracy with meeting that measure.

CLECs' Comments:

MCI and WorldCom proposed the following: a) Dedicated Trunk Groups not to exceed blocking standard of B.01; b) Common trunk Groups; no more than 1% of end offices may have 2% blockage in a month based on Erlang B.01 scale; c) if common trunk groups are different for CLECs than for the ILEC's trunk group, then no more than 2% of end offices may have more than 2% blocking; d) 98% of DS-3 trunks must be provided in 10 days or less; e) ILECs must meet tariff or contract intervals for augment trunk orders, for T1s/DS0s and DS-1 provisioning 98% of the time when CLEC utilization is at levels as follows for each Direct End Office Trunk (DEOT) configuration (i) where DEOTs represent less than 50 % of combined inbound/outbound capacity, augment trunk order must be provided when utilization reaches 60% on the Erlang - B01 scale, (ii) Where DEOTs represent more than 50% of combined inbound/outbound capacity, augment trunk orders may be placed when utilization at 75% on

the Erlang B.01 scale; f) Mean time to notification of Network Incidents, disaggregated by Reportable Incident, switch, Tandem; and g) Network Performance Parameters disaggregated by transmission quality.

The CLEC coalition Proposed Measure No. 21 is the "Estimated Time to Restore Interconnection Facilities Met." The CLEC coalition will in compromise accept SWBT's measure if SWBT will consider adding the CLEC's measure within the next six months.

Staff Recommendation:

Staff finds that SWBT has provided a comprehensive set of measures that comports with Commission Recommendation No. 16; however, Staff finds that SWBT has not offered policies and benchmark measures as related to augmenting of trunk networks.

Therefore, Commission Recommendation No. 16 is met if SWBT adds the "8 hour" measure discussed below. Commission Recommendation No. 7 is partially met.

Follow-Up:

SWBT needs to provide engineering guidelines it follows in designing trunks to ensure whether or not it follows the industry guidelines. CLECs should provide feedback on whether or not SWBT's guidelines follow industry standards. Need to discuss LCUG proposed level of disaggregation of measure as it relates to trunking, and the benchmarks proposed for direct end office trunks.

Moreover, Staff recommends CLEC coalition proposed measure No. 21 be dropped from consideration and not be added to the six month post-entry check-in if: SWBT incorporates the % interconnection trunks repaired within 24 hours, as it has agreed, and incorporates the same measure for repairs within 8 hours. The CLEC's proposal would require the development of an estimate procedure that goes beyond parity because SWBT does not do the same for retail. However, because interconnection trunks are critical the additional "8 hour" measure will help assure that SWBT does not give higher priority to its trunks within the 24 hour period. The "8 hour" measure would not be subject to liquidated damages. Instead, it will act as a check on the "24 hour" measure and the "average" measure.

Supplemental Staff Recommendation:

MET. Staff find that SWBT has met Recommendation No 16, because SWBT has included the following Measure (Measure No. 73) in its revised filing: % Interconnection Trunks Repaired Within 24 Hours and 8 Hours.

Staff finds that SWBT will fully meet recommendation No. 7 if it agrees to comply with the Staff recommendation on a benchmark as related to measure no. 73. (Please see Attachment C, Staff Proposed Benchmarks.)

Commission Recommendation No. 8:

SWBT shall provide at least three months of data on all performance measures.

SWBT's Proposal:

SWBT stated that it has provided three months worth of data for the measures it has tracked, and that it will provide three months worth of data after all the measures are implemented.

Supplemental Information:

SWBT strongly opposes AT&T's proposal for an independent validation process of all measures. AT&T's proposal will cause a further delay to seek in-region interLATA relief. An attempt to impose validation as a precondition to seeking interLATA relief violates section 271. SWBT argued that the burden of proof is when SWBT goes to the FCC, whether they want to take three months or six months of data is up to SWBT. SWBT will take to the FCC whatever performance data that they feel confident would prove parity.

SWBT stated that the maintenance and provisioning systems that are used for SWBT and CLECs are the same, specifically for resale; therefore, there should not be any concern over validation of measures related to those activities.

In response to a question whether or not to test the performance measures that apply to all CLECs or an individual CLEC, SWBT stated that when the process is the same it is not even viable for them to discriminate. (AT&T countered that even though the process is the same, the people that handle it at the LSC may be different, therefore, it is prudent to track measure for each CLEC.)

CLECs' Comments:

CLECs stated that the reports that are on record or filed do not include all the measures, and they do not include any analysis of performance to ensure parity.

OPC also raised concerns about the existence of parity under the current data provided.

Supplemental Information:

AT&T stated that a very important part of 271 compliance has to do with reviewing the actual performance data and ensuring that SWBT is meeting its burden to show that it is providing non-discriminatory access required under the Act. AT&T presented a paper to identify some specific ways that would be done.

In particular, AT&T recommended a first step of independently validating SWBT processes for collecting, calculating and reporting its performance measurement data so that the Commission can have confidence that the data it is relying on for the 271 determination are in fact valid and match up with all the definition work that has gone on in this collaborative process and in the mega-arbitration that preceded 271.

The independent validation process should focus on measures that are newer to SWBT performance measurement activities rather than those that have been reported for a long time. To the extent there have been business rules in place for quite a while as related to a measure or a subset of a measure it should not take very long to validate.

AT&T stated that it has noticed some historical data change from one report to another on some measures that SWBT has been reporting for quite some time, and that makes them have a concern for independently validating the data.

AT&T stated that to reach a conclusion whether parity has been demonstrated, both looking at individual measures and then looking at SWBT's performance across the three most recent months as a whole.

AT&T also stated that the 271 determination ought to be made across a comprehensive set of performance measures, no area of SWBT activity for CLECs should be omitted. Pre-ordering and Ordering should certainly be included altogether. At a minimum all the measures that AT&T has recommended for liquidated damages treatment would be included in the analysis.

AT&T stated that the validation process is not the same as the auditing process, in fact the auditing process can take place upon request from a CLEC after the validation has been completed.

MCI and Time Warner supports AT&T's position on this issue.

Sprint stated that there should be six-month burn in period, and three-month window is probably not appropriate.

Staff Recommendation:

Needs to be addressed further in the October 6, 1998 collaborative session. Issues to be discussed include: (1) which measures should require three months data, e.g., should only broad outcome-based measures require three months data; (2) should three months data be required for measures developed in mid-September; (3) how parity should be measured and analyzed; and (4) how parity is demonstrated.

Follow-Up:

Address further at the October 6, 1998 work session.

Supplemental Staff Recommendation:

Staff recommends that in order to meet the 271 requirements, prior to its filing with the FCC, SWBT should have all the performance measures that are under Tier-1 validated and verified by a neutral party. In addition, Staff also recommends that SWBT should demonstrate at least three consecutive months of parity performance for all measures.

Commission Recommendation No. 9:

SWBT shall establish an Internet site where it will post all of its historical performance measurement reports for non-restricted use by interested parties on a monthly basis.

SWBT's Proposal:

SWBT stated that it will establish the Internet site by October 1, 1998. The details of the site, the access, and security issues have not been finalized as yet.

CLECs' Comments:

AT&T/TCG stated that they have no objections to sharing the CLEC information with Staff; however, they prefer to have it done in such a way that it doesn't become an open record.

AT&T/TCG in its Follow-Up comments has suggested that further work is necessary regarding the information provided on SWBT's Internet site.

Staff Recommendation:

Met if review of Internet site during October 6, 1998 work session verifies that adequate access is provided to CLECs.

Supplemental Staff Recommendation:

Met, if SWBT posts all of the measures along with historic data and analysis on a going forward basis. As discussed in the public interest section, SWBT has begun to post performance measures data on its website but has not completed all postings.

Commission Recommendation No. 10:

The Commission generally agrees with the supplementation as recommended by the Department of Justice (DOJ). SWBT shall provide those additional performance measures to CLECs, as well as additional measures established by the Commission, FCC, or the DOJ. Once established, all CLECs shall be allowed to amend or MFN into the supplemented performance measures.

SWBT's Proposal:

SWBT stated that it will comply with the recommendation.

CLECs' Comments:

Staff Recommendation:

Waiting on completion of other recommendations -- this recommendation is contingent on others. SWBT has met the spirit of this recommendation by stating that it will comply. Moreover, SWBT's participation in the collaborative sessions demonstrates action supporting SWBT's verbal commitment. Further, SWBT has agreed to establish an update/review process to occur once every six months (beginning in March 1999) in which SWBT, along with its CLEC customers, will review the current list of performance measures and make agreed modifications and adjustments.

However, since the Commission has not yet established all of the measures that will be developed in this process, or has not yet completed its review, SWBT is not able to meet this recommendation at this time.

Follow-Up:

No further collaborative sessions are anticipated to be required for this specific recommendation. It can be addressed as the remaining performance measure recommendations are addressed.

Supplemental Staff Recommendation:

MET. SWBT, Staff, and the participants have agreed to a comprehensive set of measures and SWBT has agreed to make the measures available to any CLEC who wants them.

Commission Recommendation No. 11:

The following specific measures shall be established: (1) performance measures related to the access to be offered by SWBT to enable CLECs to combine UNEs; (2) speed of processing requests to accessing poles, conduits, and rights-of-way; and (3) number of days to complete physical collocation facilities.

SWBT's Proposal:

SWBT has proposed the following performance measures in response to sub-items (2) & (3) of Recommendation No 11:

The percent of requests for access to poles, conduits, and right-of-ways processed within 35 days. Reported for individual CLEC and all CLECs. SWBT's objective is 90% of requests answered within 35 days. (See SWBT proposed Measurement No. 90 in Attachment A.)

The average time it takes to process a request for access to poles, conduits, and right-of-ways. (See SWBT proposed Measurement No. 91 in Attachment A.) Reported for individual CLEC and all CLECs.

The percent of SWBT caused missed due dates for Physical Collocation projects. Reported for individual CLEC and all CLECs. (See SWBT proposed Measurement No. 92 in Attachment A.)

Average Days Required to Complete Physical Collocation Facilities. Reported for individual CLEC and all CLECs by active and non-active. (See SWBT proposed Measurement No. 93 in Attachment A.)

In addition to the measures required to meet this recommendation, SWBT agreed to also include CLEC coalition proposed measure No. 29, "Mean time to Respond to Collocation Request Interval."

CLECs' Comments:

The CLEC coalition initially proposed the following measures for collocation:

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|--|----------------------------------|
| (1) Mean time to respond to request interval: | SWBT agreed |
| (2) Mean time to offer mutually agreed physical collocation alternative: | Withdrawn |
| (3) Mean time to provide collocation arrangement: | SWBT provides an equivalent; and |
| (4) percent due dates missed: | SWBT provides an equivalent. |

Staff Recommendation:

Sub-items (2) & (3) are met. Sub-item 1 has not been addressed.

Staff notes that sub-item (1) of this recommendation will be on October 15th with Checklist Item 2, because Staff has not addressed UNE combinations to date. Staff finds that SWBT has met the requirement for sub-item (2) of this recommendation. Sub-item (3) is met with the establishment of the above-listed measures for physical collocation.

Follow-Up:

Sub-item (1) to be addressed along with the recommendations under Checklist Item 2 regarding UNEs on October 15, 1998.

Supplemental Staff Recommendation:

This Recommendation is MET if SWBT agrees to recent change and/or virtual collocation methodologies for disconnecting and recombining UNEs, because existing performance measures are adequate to address this Recommendation.

Commission Recommendation No. 12:

SWBT should establish the following measures: (1) a measurement which would include the average delay days for all SWBT caused missed due dates; and (2) the percentage of all SWBT caused missed due dates greater than 30 days. The Commission also believes that a measure reflecting coordinated conversions should be developed. SWBT shall discuss with CLECs the development of performance measurements that relate to premature disconnect and the coordinated customer conversion process and jointly develop measurements that would enable both parties to track parity in the process.

SWBT's Proposal:

SWBT has proposed the following measures to meet the requirements of sub-items (1) & (2):

Average calendar Days from due date to completion date on company missed orders. This measure will be reported for CLEC, all CLECs and SWBT retail pots, UNE Loop and Port combinations where SWBT does the combining. (See SWBT proposed measurement No. 31 in Attachment A.)

Percent

Percent SWBT Caused Missed Due Dates greater than 30 days

Percent of N, T, C orders where installation was completed greater than 30 days following the due date, excluding customer caused misses. Reported for CLEC, all CLECs and SWBT for Resold POTS and UNE Loop and Port Combinations where SWBT does the combining. (See SWBT proposed measurement No. 32 in Attachment A.)

SWBT agreed to expand measurement Nos. 55 and 56 to add interconnection trunks for mean held order interval. This resolved the CLEC coalition's request for its proposed measure No. 4.

SWBT agreed to expand measurement No. 54 to add interconnection trunks. This resolved the CLEC coalition's request for its proposed measure Nos. 5 and 6.

CLECs' Comments:

The CLECs stated that SWBT should track the measurement under sub-item (1) and should be disaggregated by UNEs, and all items under the price schedule.

The CLEC coalition agreed to withdraw its request for a measure for "Average Time Inbound Calls Blocked For NP Conversions" (Proposed Measure No. 11) in this process and will consider seeking this issue in the post-entry six month review. SWBT agreed to discuss this measure in the larger context of permanent number portability at that time. The CLEC coalition also withdrew its proposed measure No. 13 from consideration.

Staff Recommendation:

Met. The staff notes that SWBT agreed to disaggregate the performance data as proposed by CLECs.

SWBT also agreed to track separately the INP orders, Loop with INP orders, and interconnection trunks to address the CLEC coalition's concerns. This resolved the CLEC coalition's proposed measure Nos. 9

and 10. SWBT also agreed to expand measurement Nos. 52-59 to add interconnection trunks, INP, and loop with INP.

Staff notes that the recommendation as related to premature disconnect and the coordinated customer conversion process is addressed under Performance Measure Recommendation No. 26.

Commission Recommendation No. 13:

Because the current process for updating directory listings activity for CLECs and independent companies are manual, the Commission concludes that SWBT add the following measures: (1) directory listings database update completion interval; (2) directory listings database update interval; and (3) directory listings electronic interface availability.

SWBT's Proposal:

SWBT stated that the Directory listings database update for its operations is done electronically and that it is in process of establishing an electronic system called DSR for CLECs. Currently, the Directory listings update process for CLECs is manual. Therefore, SWBT has proposed the following measures for the manual process:

% of updates completed into the DA Database within 72 Hours for facility based CLECs

The percent of DA database updates completed within 72 hours of receipt of the update from the CLEC. The clock starts when SWBT receives the request from the CLEC and ends when the listing is updated in the DA database. The update clerks work hours are 6:30 a.m. to 3:00 p.m. On requests received after 3:00 p.m. the clock will start at 6:30 a.m. the following day. Weekends and holidays are excluded from this measurement. Reported by CLEC and all CLECs for facility based providers. The objective will be 95% updated within 72 hours. (See SWBT proposed measurement on p. 21 of Attachment A.)

Average Update Interval for DA database for facility based CLECs

The average update interval for DA database changes for facility based CLECs. The clock starts when SWBT receives the request from the CLEC and ends when the listing is updated in the DA database. The update clerks work hours are 6:30 a.m. to 3:00 p.m. On requests received after 3:00 p.m. the clock will start at 6:30 a.m. the following day. Weekends and holidays are excluded from this measurement.

Reported by CLEC and all CLECs for facility based providers. (See SWBT proposed measurement on p. 21 of Attachment A.)

SWBT stated that some reasonable time after flow through is available on the DSR process, the Commission should reconsider the performance measures on the manual process. SWBT also stated that it will take approximately seven months to implement the performance measures for the manual process.

CLECs' Comments:

AT&T stated that SWBT should provide an explanation of the directory listings update process to ensure that the customer directory information is updated when 1) a retail customer converts to resale, 2) when a resale customer converts to UNE or UNE Loop and Port, or 3) when a retail customer converts to UNE or UNE Loop and port.

Staff Recommendation:

Met if the following steps are performed. Staff notes that the recommendation sub-items (1) & (2) are the same. Staff finds that the measurements proposed by SWBT for the manual process are reasonable. However, Staff recommends that the implementation time for the measure should be expedited to 3

months, or in the event SWBT provides flow through measurements for DSR sooner than the three month period, the manual measurements may be implemented within six months. Staff finds that SWBT has not met the requirement to establish measures for flow through capability of DSR process. Staff recommends the following parity measure for the flow through capability of the DSR process:

% of electronic updates that flow through the DSR process without manual intervention

Staff envisions that this measure would be tracked separately for CLECs using EASE and those using EDI and LEX.

Follow-Up:

SWBT to establish flow through measures for DSR process.

SWBT to provide information which explains the process of directory assistance database update for the scenarios as noted in CLECs comments.

SWBT's response on expediting the implementation of manual process measures in the event DSR flow through measure is not established.

Supplemental Staff Recommendation:

Staff finds that SWBT will meet this recommendation if it incorporates the following parity measure:

Measure No. 97a: % of electronic updates that flow through the DSR process without manual intervention.

Commission Recommendation No. 14:

Because the process employed by SWBT for Operator Services (OS) and Directory Assistance (DA) is the same as that used by CLECs and other independent companies, the measurements proposed by SWBT for OS/DA should provide adequate information making the additional measures unnecessary to ensure parity for this category. The measurements provided in this category shall include: (1) Grade of Service; and (2) Average Speed of Answer. Furthermore, the measures shall be reported aggregated for SWBT and for CLECs.

SWBT's Proposal:

In addition to the Grade of service and Average speed of answer measures for OS/DA, SWBT has proposed additional measures which include: a) percent calls abandoned; b) percent calls deflected; c) average work time; and d) non-call busy work volumes.

CLECs' Comments:

CLECs requested additional measures as proposed by SWBT.

Staff Recommendation:

Met. Staff finds that SWBT has met the requirements as related to required measures under this recommendation. Staff also notes that the additional measures proposed by SWBT will provide additional data in analyzing the broad outcome-based measures as stated in the recommendation. The additional measures need not be included in the broad outcome-based measurements category.

Commission Recommendation No. 15:

Measures shall be established to assure parity in the provision of interim number portability.

SWBT's Proposal:

SWBT has proposed the following measures (*see pp. 18 and 19 of Attachment A*):

% Installation Completed Within "x" (3, 7, 10) Business Days.

% INP installations completed within "x" (3, 7, 10) business days excluding customer caused misses and customer requested due dates greater than "x" (3, 7, 10) business days.

Reported for CLEC and all CLECs.

Average INP Installation Interval.

Average business days from application date to completion date for INP orders excluding customer requested due dates greater than the SWBT standard interval. Reported for CLEC and all CLECs.

Percent INP I-Reports Within 30 Days.

Percent of INP N, T, C orders that receive a network customer trouble report not caused by CPE or wiring within 30 calendar days of service order completion excluding subsequent reports and all disposition code "13" reports (excludable reports). Reported for CLEC and all CLECs.

Percent Missed Due Dates.

Percent of INP N, T, C orders where installations are not completed by the negotiated due date excluding customer caused misses. Reported for CLEC and all CLECs.

CLECs' Comments:

Benchmarks should be established for coordinated cut-over of INP.

Staff Recommendation:

SWBT's proposed measures partially meet the requirements of this recommendation. However, the issue as related to coordinated cut-over of INP is addressed under Performance Measure Recommendation No. 26. Consequently, further discussion on this recommendation is not necessary because this recommendation will be met when Recommendation No. 26 is met.

Supplemental Staff Recommendation:

Met, if SWBT agrees to Staff's proposed measurements under Performance Measures Recommendation No. 26 and to Staff recommended benchmarks as shown in Attachment C..

Commission Recommendation No. 16:

Recommendation Nos. 7 and 16 are addressed together under Recommendation No. 7.-

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

Please see Performance Measures Recommendation No. 7.

Commission Recommendation No. 17:

SWBT is contractually required to file performance measures for different types of unbundled loops and resale services in the approved AT&T and MCI interconnection agreements. As an additional requirement, the performance measures related to DS-1, DS-3 and higher capacity loops and dedicated transport should be tracked separately.

SWBT's Proposal:

SWBT has proposed to disaggregate the provisioning performance tracking and reporting for Digital Data Service (DDS), DS1, DS3, Voice Grade Private line, ISDN and any other services available for resale, and UNE loop and port combinations if combined by SWBT. (See pp. 6-12 of SWBT proposed measurements in Attachment A.)

SWBT has proposed to disaggregate the provisioning performance tracking and reporting for all UNEs contained in the UNE price schedule. (See pp. 12-15 of SWBT proposed measurements in Attachment A.)

CLECs' Comments:

CLEC coalition stated that they are in general agreement with the SWBT's Proposal with respect to disaggregation by service type or UNE type. Moreover, the coalition's desire to add INP provisioning as a separate UNE tracking item was agreed to on a number of measures.

Staff Recommendation:

MET if SWBT includes in its September 21st filing all of its added measures including INP and INP with Loop and interconnection trunks as disaggregated items for UNE provisioning.

Supplemental Staff Recommendation:

Met, if SWBT agrees to the benchmarks for Measurement Nos. 84-87.

Commission Recommendation No. 18:

“Average Time to Return Firm Order Commitment” shall also include SWBT’s own internal performance in order to compare it with its performance provided to CLEC.

SWBT’s Proposal:

SWBT stated that this issue needs to be revisited when EDI becomes real time for notification of FOC and due date. SWBT also stated that they do not have an analogous retail measurement that they use today for EASE and SORD.

Supplemental Information:

SWBT stated that it couldn’t provide a comparative measure for FOCs for complex services. SWBT does not provide a FOC to itself on any orders including complex.

SWBT stated that the EASE does not provide FOCs, and that system used in its retail operation provides due date information as a part of the pre-order function. Therefore its service representative gets the information on a real time basis. Whereas, for EDI the preorder system is not currently available, and therefore it cannot compare the FOC return time to EASE systems real time response. However, when the pre-order interface is developed for EDI, the FOC will be provided on real time basis.

SWBT stated that it would check on the response time for due dates or FOCs on complex orders to its retail customers, and provide that information to the parties and the staff.

CLECs’ Comments:

WorldCom stated that in LCUG the proposed benchmark is 4 hours. The mean time to return FOC must be reported for ILEC and CLECs disaggregated on process, product and geography.

Supplemental Information:

MCI stated that although the preorder function is not available for EDI, it prefers to have the measure for EDI FOCs established now.

Staff Recommendation:

Met if SWBT continues the processes discussed below and agrees to the following measures: (1) a parity measure for manual FOCs for complex Orders; and (2) a parity measure between EDI and EASE that would become effective 30 days after a CLEC begins using EDI for “Live” commercial orders.

Staff notes that during the arbitration the Commission decided on a 24-hour benchmark for simple order FOCs for LSRs sent through LEX, EDI and Manual Process such as FAX. For complex Business orders the FOC interval will be negotiated, for UNE loops 1-49 less than 24 hours; for greater than or equal to 50 UNE Loops less than 48 hours, and for Switch Ports less than 24 hours. Staff notes that notification of FOCs through EASE is real-time. SWBT should continue reporting Average Time to Return FOCs for all types of mechanized orders and processes until it can demonstrate parity with its EASE system.

Any disparity in measure for FOC notification through EDI in comparison to EASE will be considered at the post-entry six month review to determine whether this measure needs modification.

Supplemental Staff Recommendation:

Staff concurs with MCI that the measure for FOCs through EDI should be established now, rather than revisit this issue at a later date. Although the staff finds that the benchmarks established for complex orders may serve the purpose, the staff also recommends that SWBT should provide follow-up information on its performance in providing complex services to its retail customer. If such data is tracked, SWBT can provide parity measurements instead of performance comparison to benchmarks for providing FOCs are due dates on complex services.

Commission Recommendation No. 19:

SWBT shall provide a measurement of the performance it provides to its own customers as related to "percentage of Trouble Reports Within 10 days of Installation" and "Percentage of Trouble Reports Within 30 Days of Installation."

SWBT's Proposal:

SWBT stated that it already provides this information under the existing interconnection agreement with AT&T/MCI.

Supplemental Information:

SWBT stated that it would clarify the title of the measurement to ensure that it tracks trouble reports within 10 days, and 30 days of installation to calculate the appropriate percentage measures.

CLECs' Comments:

Not clear that the measures referred to by SWBT address the issues raised in the Commission's recommendation.

Staff Recommendation:

Met if SWBT adopts the specific measures identified in the Commission Recommendation.

Staff finds that the measures contained in SWBT proposed measurements in Attachment A, specifically measure Nos. 49, 50 and 61 do not provide the same information that is required by this recommendation. In order to comply with this recommendation SWBT must include additional measures along with definitions, calculation method, and report structure for: 1) Percentage of Trouble Reports Within 10 days of Installation; and 2) Percentage of Trouble Reports Within 30 Days of Installation.

Supplemental Staff Recommendation:

Based on the supplemental information provided by SWBT, the staff finds that SWBT has MET this recommendation.

Commission Recommendation No. 20:

SWBT shall include an additional measure "Delayed Orders Cleared After 30 Days." This measurement shall be reported for loop by separate capacity category.

SWBT's Proposal:

SWBT stated that it already has a measurement which captures the information and that this recommendation is same as sub-item (2) of Recommendation No. 12.

CLECs' Comments:

CLECs agreed that this recommendation is duplicative.

Staff Recommendation:

Met because Performance Measure Recommendation 12(2) is met.

Commission Recommendation No. 21:

SWBT shall report comparative data on NXX loaded and tested prior to local exchange routing guide (ERG) effective date, and Mean Time to Repair for NXX Troubles.

SWBT's Proposal:

SWBT proposed the following parity measures (*also see* p. 21 of SWBT proposed measurement in Attachment A):

% NXXs loaded and tested prior to the LERG effective date

The percent of NXXs loaded and tested prior to the LERG effective date. Reported by CLEC, all CLECs and SWBT.

Average Delay Days for NXX loading and testing

Average calendar days from due date to completion date on company missed NXX orders. Reported for CLEC, all CLECs and SWBT.

Mean Time to Repair

Average calendar days from due date to completion date on company missed NXX orders. Reported for CLEC, all CLECs and SWBT.

CLECs' Comments:

AT&T in its follow-up filing agreed that SWBT's proposed measures are adequate if properly implemented.

Staff Recommendation:

Met. Staff finds that SWBT's proposed measures meet this recommendation.

Commission Recommendation No. 22:

SWBT's Network Performance measures shall include Ratio of Calls Blocked to Calls Attempted.

SWBT's Proposal:

SWBT stated that the measurements it has proposed under Recommendation Nos. 7 & 16 satisfy the requirements of this recommendation.

CLECs' Comments:

MCI agrees with the tracking of trunk blockage measurement separately for common and dedicated trunks as proposed by SWBT. TCG stated that SWBT routes overflow traffic from direct end-office trunks through Tandem, whereas the CLECs who interconnect at the end office do not have the same routing capability for its overflow traffic when their end-users place calls. TCG will propose a parity measurement.

Staff Recommendation:

Met with compliance with Performance Measure Recommendation Nos. 7 & 16.

Further, Staff finds that TCG did not demonstrate the necessity of its proposed measure regarding routing of overflow traffic.

Commission Recommendation No. 23:

SWBT should develop a process for simulation modeling for those measures for which actual results are not available or are so limited that a statistical comparison is not feasible.

SWBT's Proposal:

SWBT stated that this recommendation as it applies to OSS systems will be implemented when the scope and conditions for simulation testing of EDI, LEX systems are established.

Supplemental Information:

SWBT stated that it provides the same level of proactive testing and monitoring as it provides to itself with respect to the transmission quality of loops connected through unbundled switch port, and dedicated transport facilities. SWBT performs ALIT testing on all lines with associated office equipment on the switch both CLEC and SWBT customers. This information is passed along to SWBT legacy systems to do analysis to locate areas that may need attention, and this is done on all lines with working OE which includes CLEC customers.

SWBT stated that for DS-1 rate and higher SWBT utilizes NMA for monitoring and analysis. SWBT monitors all facilities on the SWBT's network including CLEC elements connected to the SWBT network.

SWBT stated that as a part of the simulation testing of performance for those services or elements which are not of sufficient quantity (e.g., ISDN), a statistically valid sample of 30 orders will be sufficient to pass through the OSS testing systems.

CLECs' Comments:

AT&T stated that ISDN loops or any other type of specialized loops do not have adequate amount of data in order to test meaningful parity, and thus there should be simulation or sample testing should be established. With regard to parity in transmission quality of loops and dedicated transport, sample testing of unbundled loops and dedicated transport should be conducted on a periodic basis in order to ensure parity with SWBT's loops and high capacity transport facilities. MCI stated that LCUG has proposed some measures to address this issue. The LCUG proposal states that based upon a random and statistically reliable sample of network configurations employed by the CLEC, the network performance parameter, transmission quality, should be monitored based upon accepted testing procedures and the resulting parameter values should be recorded. The Measured values are accumulated across the sample base and the mean and associated variance. The ILEC network performance should be measured for similar configurations. AT&T also stated that a process similar to auditing function should be established for testing of UNE loops , or dedicated transport facilities upon a CLECs, request. The cost of such testing will be borne by the CLECs in the event that the results of tests prove that the quality of UNE loops or UNE Dedicated transport facilities are in parity.

Supplemental Information:

AT&T stated that the simulation testing for measuring performance of certain special services such as ISDN, which are relatively small in terms of ordering quantity, should include tracking and evaluation of performance from pre-ordering through provisioning and billing process.

Staff Recommendation:

Staff notes that in addition to the simulation testing of Electronic OSS systems, this recommendation also applies to those measures for which actual results are not available or are so limited that statistical comparison is not feasible. Staff notes that one category of performance for which no measures are established include transmission quality of loops, both digital and analog, and of dedicated transport of varying speeds. Staff concurs with Time Warner that the measurement of transmission quality at the time of provisioning UNE loops and dedicated transport facilities is important and necessary. Staff also notes that there are no parity measures that assure parity maintenance of such facilities. SWBT maintains its network through proactive monitoring or preventative maintenance practices in its retail environment in order to comply with the Commission-established service quality standards and its tariff obligations. A method to determine parity in transmission quality through establishment of simulation or sample testing of those facilities, as suggested by AT&T, should be explored further if SWBT cannot provide similar proactive monitoring for transport used by CLECs.

Follow-Up:

Follow-up as stated above is necessary.

Supplemental Recommendation:

This recommendation will be MET if SWBT provides follow up information that demonstrates its claim that it proactively monitors and maintains the unbundled loop with port and transport facilities in the same manner as it does in its retail operation. In order to demonstrate that such processes are common for its facilities and the unbundled facilities SWBT shall provide additional supporting documents by November 30, 1998. SWBT may also make arrangements to visit NMA to demonstrate that CLECs elements connected to SWBT's network are monitored in the same manner as its own network. SWBT should also agree to simulation testing a statistically valid number (30) of services and elements. The testing methodology, types of services, and processes will be set during the OSS simulation testing work session. SWBT should also demonstrate the performance parity to its retail analog services during third party testing for combining UNEs under its proposed methods of combining.

Commission Recommendation No. 24:

SWBT shall implement TCG's suggestions as far as the kinds of benchmarks to establish to measure SWBT's performance in the area of directory assistance and operator call completion.

SWBT's Proposal:

SWBT has proposed the following performance measures in response to this recommendation as it relates to Directory Assistance and Operator Services. (See pp. 16-18 of SWBT's proposed measurements in Attachment A.)

Directory Assistance Grade Of Service.

% of directory assistance calls answered < 1.5, < 2.5, > 7.5, > 10.0, > 15.0, > 20.0, and > 25.0 seconds. Reported for the aggregate of SWBT and CLECs.

Directory Assistance Average Speed Of Answer.

The average time a customer is in queue. The time begins when the customer enters the queue and ends when the call is answered by a SWBT representative. Reported for the aggregate of SWBT and CLECs.

Operator Services Grade Of Service.

% of operator services calls answered < 1.5, < 2.5, > 7.5, > 10.0, > 15.0, > 20.0, and > 25.0 seconds. Reported for the aggregate of SWBT and CLECs.

Operator Services Average Speed Of Answer.

The average time a customer is in queue. The time begins when the customer enters the queue and ends when the call is answered by a SWBT representative. Reported for the aggregate of SWBT and CLECs.

Percent Calls Abandoned

The percent of calls where the customer hangs up while the call is in queue. Reported for CLEC and SWBT in the aggregate.

Percent Calls Deflected

The percent of calls that are received and are unable to be placed in queue. Reported for CLEC and SWBT in the aggregate.

Average Work Time

The average number of seconds an operator spends handling a customer's request for assistance in obtaining a telephone number, placing a call at the customer's request or in a position busy state. The Average Work Time normally begins when the customer connects to an operator position and ends when the operator position releases the customer after serving his/her request. Reported for CLEC and SWBT in the aggregate.

Non-Call Busy Work Volumes

The amount of time in CCS (Centime Call Second) that an operator has placed their position in make busy or in a position busy state. Reported for SWBT and CLEC in the aggregate.

CLECs' Comments:

MCI/WorldCom stated that the LCUG measure should be used to comply with this recommendation. The LCUG measures include: 1) Mean Time to Answer; and 2) Average Time Provided To Proof Updated Listings prior to publication. Mean time to answer must be reported separately for directory Assistance and Operator Services in detail for each service by machine and Human Answer time.

Staff Recommendation:

Met. Staff finds that SWBT proposed measures are comprehensive as related to directory assistance and Operator Services functions. Staff notes that the parity measures which compare the performance for CLECs and SWBT provide the necessary information required for determining parity. Feasibility of further disaggregating of information by service type, as proposed by WorldCom was not directly addressed in the recommendation and has not been demonstrated to be a necessary addition.

Commission Recommendation No. 25:

SWBT's performance data shall be further disaggregated, consistent with the discussions of the Office of Public Utility Counsel (OPC) and the testimony of SWBT witness Dysart.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

Met because Performance Measure Recommendation No. 12 is met.

Commission Recommendation No. 26:

The Commission recommends that a measure reflecting coordinated conversions should be developed. SWBT shall work with the CLECs and Commission Staff to develop measures relating to premature disconnect and the coordinated customer conversion process and develop measurements that would enable all parties to track parity.

SWBT's Proposal:

SWBT proposed the following performance measurements and stated that it will track and report the measurements on a monthly basis for each CLEC and all CLECs:

Measurement - % Pre-mature disconnects (Coordinated Cutovers)

Definition - Percent of coordinated cutovers where SWBT prematurely disconnects the customer prior to the scheduled conversion. The objective is 5% or less of customers disconnected prematurely. (See Measurement No. 98 in Attachment A)

Measurement - % SWBT caused delayed Coordinated Cutovers

Definition - Percent of SWBT caused late coordinated cutovers in excess of 30 minutes.

The objective is 5% or less of SWBT coordinated conversions delayed. (See Measurement No. 99 in Attachment A)

Measurement - % Missed mechanized INP conversions

Definition - Percent of mechanized INP conversions not loaded in the switch within 30 minutes of the scheduled due time. The objective is 5% or less of those started outside of scheduled time. (See Measurement No. 100 in Attachment A)

In its agreement with the CLEC coalition, SWBT agreed to disaggregate Measurement Nos. 89 and 90 between INP and INP & Loop. SWBT also agreed to consider a further category of Loop-only at the six month, post-entry review to determine if service order volumes exist for Loop-only orders to justify another disaggregation.

Supplemental Information:

SWBT agrees to further disaggregate the measurement "Percent Missed Mechanized INP Conversions" by percent early and percent late.

SWBT stated that in converting a loop only without porting, the SWBT technician prior to disconnecting the loop from SWBT switch, will check for dial tone at the CLEC collocation facility. If there is dial tone, the SWBT technician will then "Lift and Lay" the loop which disconnects the loop from the SWBT switch and connects it to the CLEC collocation facility. This process takes approximately ten minutes and requires no translation work at the SWBT switch.

CLECs' Comments:

MCI, WorldCom, TCG and AT&T proposed the following measures for the coordinated conversions:
98% of coordinated cutovers completed within 5 minutes.

100% of coordinated cutovers completed within 30 minutes.

98% of unscheduled disruptions causing loss of dialtone or inbound call blocked corrected within 1 hour

100% of unscheduled disruptions causing loss of dialtone or inbound call blocking corrected within 2 hours.

The CLEC coalition (Time Warner, Westel, Intermedia, TEXATEL, Nextlink) withdrew some of their requested measures in light of SWBT's agreement to further disaggregation (Nos. 9, 10, 12). The CLEC coalition stated that all measures related to coordinated cut-over should be included under broad-outcome-based measures.

AT&T stated that Loop should also be tracked as a separate category in terms of coordinated cut-over measures. AT&T also stated that this should be revisited during the six-month check up.

Staff Recommendation:

Staff concurs that the measure should be disaggregated to track INP, and INP with loop performance as it relates to coordinated cut-over. The issue as related to tracking coordinated conversion measure of loops only may be revisited during the post-entry six-month review. Staff notes that the process as explained by Mr. Dysart, that the UNE loop will be half-tapped and thus the customer may not be out-of service until the jumper is removed may alleviate some of AT&T's concerns. The removal of jumper wire will happen if a CLEC notifies SWBT that its switch is operational for the UNE loop. Staff requires more information on the process explained by Mr. Dysart, prior to making any recommendation on the loop only issue.

Further, Staff finds that establishing benchmarks for this measure is appropriate because there is no equivalent measure for SWBT for coordinated cutovers. Staff may consider the following modifications to SWBT proposed measures upon further review of written responses from the parties:

- (1) The premature disconnect is very critical both from a CLEC and its end-users' perspective, and therefore recommends that the objective should be changed to 2% or less disconnected prematurely.
- (2) The staff concurs with SWBT measure for the percent of SWBT caused late coordinated cutovers in excess of 30 minutes.
- (3) The staff concurs with TCG that early cut-over is more problematic than the late cut-over in terms of INP, because late cut-over may allow sufficient time for a CLEC to get their switch ready and thus minimize service disruption to its end-use customer during the conversion process. Therefore, the staff recommends the following modifications to the objective of measure as related to the percent missed mechanized INP conversions. 2% or less for starting INP conversion 10 minutes before the scheduled time, and 8% for starting INP conversions beyond 30 minutes of scheduled conversion time, and 2% or less for starting conversion beyond 1 hour from scheduled time, and 0.1% for starting conversion beyond 2 hours.
- (4) The staff agrees with CLECs that the measures as proposed by SWBT does not address unscheduled disruptions during the conversion process, and therefore recommends adopting LCUG measure for unscheduled disruptions and corrective measures.
- (5) The staff concurs that the measures under the coordinated cutovers should be included in the broad outcome-based measures.

(6) CLECs and SWBT agree to look at LNP-related measures at the post-entry six month review to determine whether the history developed under that system suggests appropriate parity measures and/or benchmarks.

Follow-Up:

SWBT should modify its measures as recommended by Staff. Staff agrees with CLECs that the measures as proposed by SWBT do not address unscheduled disruptions during the conversion process, and therefore recommends further discussion of LCUG measures for unscheduled disruptions and corrective measures.

Supplemental Staff Recommendation:

Met, if SWBT agrees to the proposed benchmarks as shown in Attachment C.

Commission Recommendation No. 27:

The issue of auditing shall be addressed further in the collaborative process between SWBT, the participants, and Commission Staff. SWBT must allow CLECs to audit the underlying performance data used in calculating the required measure to provide CLECs the ability to satisfy any concerns that the performance measures "mask" discriminatory treatment, i.e., disparate treatment in a particular exchange. As an initial matter, the Commission believes it is appropriate for the requesting CLEC to bear the costs associated with such an audit. However, if the CLEC demonstrates that SWBT has consistently provided discriminatory and/or lower grade service than it provides to itself, SWBT is required to refund such fees. If necessary, the post-interconnection dispute process may be used to resolve disputes regarding the payment of such fees. In such a process, it may be appropriate to consider attorneys' fees and litigation costs to be part of the overall audit costs.

SWBT's Proposal:

SWBT stated that it will comply with the provision for auditing as contained in AT&T/MCI interconnection agreement.

Supplemental Information:

SWBT stated that it held a meeting on September 28, 1998 with CLECs to get feedback on formatting issues as well as additional information CLECs felt would be useful. SWBT sees this type of forum as ongoing and could be incorporated into six-month review of performance measurements.

SWBT stated that it supports the audit procedure that is currently in place in the interconnection agreements that resulted from the Mega Arbitration II. This procedure requires the parties to consult with one another and attempt in good faith to resolve any issues regarding accuracy or integrity of data collected, generated, and reported. In the event that the issues are not resolved within 45 days of request from a CLEC, SWBT will allow the CLEC to have an independent audit conducted, at the CLEC's expense. The CLEC may not request more than one audit per twelve calendar months under this section.

SWBT would be willing to reimburse the CLEC where the CLEC has a specific discrepancy and after the above procedures have been followed and SWBT has had an opportunity, prior to the audit, to resolve the dispute and SWBT is found to be at fault. If SWBT is not found at fault, the CLEC will not be reimbursed. However, SWBT is not willing to reimburse the CLEC for an audit where there is no discrepancy identified prior to the audit. SWBT also would require that the audit process be completed before any complaint is brought to the Commission regarding the subject of the audit.

CLECs' Comments:

WorldCom proposed that whoever initiates the audit should come up with 50% of the cost up front and that SWBT should reimburse that amount if SWBT is determined to be at fault as a result of the audit. CLEC stated that if CLECs can provide inputs on proactive basis as to what should be included in the report, the requirement for audit can be minimized.

Supplemental Information:

MCI stated that SWBT's proposal is problematic, because the purpose of audit is to discover whether there is any problem, and if a CLEC has to know what the problem is or have a chance to know the problem prior to initiating an audit.

Sprint stated that if an audit process results in payment to a CLEC-A, it is possible that the problem may affect other CLECs. Therefore SWBT should inform other CLECs of the results of audit initiated by CLEC-A.

Staff Recommendation:

Met if SWBT addresses the following issues as raised by CLECs. Staff agrees with CLECs that the establishment of a process in which a CLEC can provide inputs on a pro-active basis to SWBT will minimize the requirements for audits. Specifically, the inputs from CLECs shall be related to the specificity of data to be included in a performance report SWBT provides to a CLEC. Staff also concurs with the general concept that the CLEC pay for the audit when performance was appropriated and SWBT pay for the audit when the CLEC's concerns were justified.

Follow-Up:

Some follow-up may be necessary to work out the details of the process if Staff has concerns with SWBT filing regarding the same. SWBT shall file a document regarding its proposed process by October 1, 1998, unless SWBT requests an extension.

Supplemental Recommendation:

Staff finds that SWBT has met with CLECs to get feedback on formatting issues as well as additional information CLECs felt would be useful. Staff concurs with SWBT that this type of forum should be ongoing and that this should be incorporated into six-month review of performance measurements.

Staff concurs with MCI that SWBT's proposal regarding the reimbursement of audit expenses is problematic. This Recommendation will be MET if SWBT agrees to the following: During the 45-day interval, if the discussions to cure certain measurement problems do not lead to satisfactory remedy, and the subsequent audit reinforces the identified problem or any new problem, SWBT should reimburse a CLEC any expense incurred for such audit. Staff also concurs with Sprint, that SWBT should inform other CLECs of any problems identified during the audit initiated by any CLEC. Staff recommends that this information should be posted on SWBT's Internet site.

Commission Recommendation No. 28:

Performance penalty issues need to be resolved. Issues for the collaborative process include the type of penalty, level of penalty, and the appropriateness of any necessary safeguards to protect CLECs from sporadic performance and SWBT from random fluctuations. For any measure, when SWBT's performance substantially deviates from parity, e.g., more than one standard deviation for three consecutive months, the Commission recommends that a root cause analysis be performed to determine the cause of the disparity. In other words, SWBT must investigate exceptionally good and exceptionally bad performance results.

SWBT's Proposal:

Supplemental Information:

SWBT stated that the list of measurements is currently over 100 per market area, which leads to over 400 for Texas with many having multiple levels of disaggregation. It is overly burdensome to investigate on both good and bad performance on all of those measurements. SWBT proposed that it will do root cause analysis on broad based outcome measures it has listed in its filing for both good and bad performance for measurements that are out of parity for the CLECs in the aggregate by greater than one standard deviation for three months.

CLECs' Comments:

AT&T commented that the credit scheme was put in place to help with random variation, not to give SWBT an opportunity to amass credits by willingly providing good performance on a particular measure. Therefore the purpose of any root cause analysis that is conducted on overly positive performance should focus on the possibilities of gaming by SWBT. Limiting the credit SWBT can accumulate on the same measurement to not more than two months in a row may alleviate this concern.

AT&T stated that the results of root cause analysis should not be used to offset any penalties for performance measurement under Tier-1. The Tier-1 measurements are designed to be self-executing, and not for the purpose of allowing SWBT to offer explanations for bad performance through root cause analysis. However, it may not be objectionable to use root cause analysis for tier-3 measurements.

Staff Recommendation:

Met if SWBT agrees to the root cause analysis portion of the recommendation and Performance Measure Recommendation No. 2 is met.

Supplemental Recommendation:

In view of the Commission selected method of penalty and damage structure for performance measurements, Staff finds that the purpose of root cause analysis is to provide an opportunity to SWBT to identify and cure deficient system of a self-executing structure of performance standards. Staff recommends that SWBT should conduct a root cause analysis on any measurement in which its performance is deficient. The appropriate corrective action plan should be provided to the CLEC under the penalties as recommended under the Commission Recommendation No. 2 in the performance

measurement section. *SWBT will MEET the recommendation if it agrees to Staff's recommendation as stated above.*

Commission Recommendation No. 29:

In recognition of the New York Public Service Commission's ruling in Bell Atlantic's Section 271 docket and the concerns raised by participants in this docket, the Commission believes that the performance penalty structure in the AT&T and MCI interconnection agreements with SWBT, which was largely negotiated, may not be adequate to assure nondiscriminatory treatment. Instead, during the collaborative process, proposals relating to a reduction in resale/UNE/interconnection rates should be considered if, prospectively, the Commission determines that SWBT has failed to meet the performance requirements, or engaged in discriminatory practices against CLECs.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

Met. See Recommendation No. 2, which deals with penalty structures more broadly. Specifically as related to the Bell Atlantic approach of adjusting wholesale rates, no party advocated this approach because of the possibility of creating inefficiencies in the billing and billing reconciliation process. The recommendation should therefore be deemed met and/or withdrawn.

Commission Recommendation No. 30:

The Commission recommends that additional safeguards be considered if performance penalties are determined to be insufficient to restrain anticompetitive behavior after SWBT obtains § 271 relief. Such a procedure may allow the Commission to issue a cease and desist order affecting SWBT's ability to accept new in-region interLATA customers if the Commission determines that SWBT has provided sub-standard and/or discriminatory service to CLECs, such that CLECs do not have a meaningful opportunity to compete in local markets. This issue is more broadly discussed in the public interest section.

SWBT's Proposal:

SWBT argued that the current penalty structure should be adequate to restrain anti-competitive behavior.

CLECs' Comments:

A number of CLECs argued that the Commission should have post-entry oversight. Sprint suggested the possibility of the Commission prohibiting joint marketing with the long distance affiliate if SWBT's performance consistently below parity. It was also suggested that the PUC retain a consultative role with the FCC if backsliding takes place.

Staff Recommendation:

It is difficult to make a firm recommendation on this issue without knowing the final format of the penalty structure. The penalty structure could be such that post-entry regulation of long distance will not be necessary.

Follow-Up:

This recommendation needs further development in conjunction with Performance Measure Recommendation No. 2.

Supplemental Staff Recommendation:

Met, if SWBT agrees to the penalty structure set forth in Recommendation No. 2.

Commission Recommendation No. 31:

SWBT shall be required to allow a CLEC that was not a party to the mega-arbitration to include those performance measures while allowing the CLEC to raise new issues that were not arbitrated or negotiated during the mega-arbitration hearing through further negotiation or arbitration and shall explore development of a tariff containing performance measures and public availability of performance measure data.

SWBT's Proposal:

SWBT agreed to implement this recommendation.

Supplemental Information:

SWBT has agreed, in its filing dated October 5, 1998, to provide the performance measurements to any CLEC upon request.

CLECs' Comments:

CLECs have suggested a number of new measures under this recommendation. SWBT has incorporated several of the CLECs' proposals. To the extent Staff has not agreed with specific proposals, Staff has recommended that they not be adopted.

Staff Recommendation:

This recommendation is akin to applying the Waller Creek MFN policy to performance measures. This measure is met if SWBT clarifies its MFN policy such that a CLEC would retain the ability to keep existing performance measures while allowing the CLEC to negotiate and/or arbitrate new performance measures. Staff makes this request as a double-check because SWBT modified its position on attachment-by-attachment MFN.

Follow-Up:

SWBT to clarify its MFN policy on this point in a letter. If SWBT does not agree, then additional discussion will be necessary in conjunction with the recommendations relating to MFN policy in the public interest work session.

Supplemental Recommendation:

MET. Based on the supplemental information filed by SWBT on October 5, 1998, Staff finds that SWBT has met this recommendation.

Commission Recommendation No. 32:

Consistent with the attachment-by-attachment MFN philosophy, SWBT shall allow a CLEC that was not a party to the mega-arbitration to adopt the performance measures without having to adopt the separate and distinct provision on performance penalties.

SWBT's Proposal:

SWBT agrees to comply with this recommendation.

Supplemental Information:

SWBT has agreed, in its filing dated October 5, 1998, to provide the performance measurements to any CLEC upon request

CLECs' Comments:

Staff Recommendation:

Met subject to clarification in light of SWBT's change in MFN policy discussed in the public interest work sessions. However, it is Staff's understanding that SWBT agrees to allow CLECs the ability to adopt performance measures without having to adopt the penalty structure developed in the mega-arbitration.

Follow-Up:

SWBT to clarify its MFN policy on this point in a letter. If SWBT does not agree, then additional discussion will be necessary in conjunction with the recommendations relating to MFN policy in the public interest work session.

Supplemental Recommendation:

MET. Based on the supplemental information filed by SWBT on October 5, 1998, Staff finds that SWBT has met this recommendation.

Commission Recommendation No. 33:

SWBT shall provide all the performance data required by its interconnection agreements with AT&T and MCI, including the average response time for preorder interfaces, provisioning accuracy, average time to return firm order commitments (FOCs), mean time to return service, order process percent flow-through, LSC speed of answer, billing accuracy, billing timeliness, or any measures with respect to UNEs or design services.

SWBT's Proposal:

SWBT stated that it will comply with the requirements of this recommendation. SWBT has proposed the following measures as related to Billing, and Local Service Center Operations. Billing: 1) Billing Accuracy; (2) Percent of Accurate and Complete Formatted Mechanized Bills; 3) Percent of Billing Records Transmitted Correctly; Billing Completeness; 4) Billing Timeliness; 5) Daily Usage Feed Timelines; and 6) Unbillable usage. (See pp. 4-5 of SWBT proposed measurements for billing in Attachment A.) LSC and LOC Operations: (See pp. 5-6 of SWBT proposed measurements for billing in Attachment A.)

Percent Busy in the LSC

Percent of calls which are unable to reach the Local Service Center due to a busy condition in the ACD. Reported for all CLECs and SWBT.

LOC Average Speed Of Answer.

The average time a customer is in queue. The time begins when the customer enters the queue and ends when the call is answered by a SWBT representative. Reported for all calls to the LOC for all CLECs and SWBT retail.

LOC Grade Of Service (GOS)

% of calls answered by the LOC within a specified period of time. Reported for all calls to the LSC by operational separation and SWBT retail (Repair Bureau).

Percent Busy in the LOC

Percent of calls which are unable to reach the Local Operations Center due to a busy condition in the ACD. Reported for all CLECs and SWBT.

Regarding the jeopardy measures recommended by the CLEC coalition (proposed measure Nos. 2 & 3), SWBT does not have the ability to notify customers prior to a due date being missed when there are unexpected load conditions or the technician on the due date discovers that there are no facilities or the facilities are faulty. When it knows no facilities are available, it contacts the CLEC.

SWBT also argued that since trouble ticket information is available in TOOLBAR, CLECs can make jeopardy determinations with the same information that SWBT would have.

CLECs' Comments:

TEXATEL stated that % trunk blockage information for the end -office which serves the LSC and LOC should also be provided.

CLEC coalition proposed measure Nos. 2, 3 and 16 ask for additional mean jeopardy interval and percent jeopardies returned measures. Without notice of a jeopardy, a CLEC does not have the ability to warn its customer that a desired due date may be missed.

Not all CLECs in the coalition use TOOLBAR.

Staff Recommendation:

Staff finds that SWBT has partially met the requirements of this recommendation. SWBT stated that the LSC has its own end-office switch, therefore trunk busies will not provide any additional performance information. Staff recommends that with respect to billing measures as proposed by SWBT, if a parity measure is not available through CRIS or CABS for SWBT, then appropriate benchmarks should be included for discussion by Staff and the parties in the October 6, 1998 work session.

The CLEC coalition's proposed measure Nos. 2 and 3 require further review based on SWBT's jeopardy follow-up. It appears to Staff that these measures go beyond the Commission's recommendations. More importantly, SWBT does not always have information in advance that a jeopardy exists. Parity is established if SWBT can demonstrate that it lacks the ability to warn its retail customer both residential and large business, if there are unexpected load conditions or technician learns of a facility problem on the due date.

Regarding TOOLBAR, SWBT should not be penalized because some CLECs choose not to use the interfaces made available. TOOLBAR access does not require substantial CLEC investments, as compared with EDI, for example.

Follow-Up:

Further discussion relating to billing measures is necessary. SWBT has met the non-billing portions of this recommendation, but for the jeopardy issue. SWBT to follow up on whether or not it has a process in place to notify jeopardy situations to its large retail business customers. This follow-up shall be filed by October 1, 1998, unless SWBT requests an extension. The follow-up issues will be addressed during the October 6, 1998 work session.

Supplemental Staff Recommendation:

MET, if SWBT agrees to the benchmarks in Attachment C.

HARD TO CATEGORIZE AGREEMENTS BETWEEN SWBT AND THE CLEC COALITION

The CLEC coalition withdrew its requested proposed measures as follows:

| | |
|-----------------|--|
| No. 15 | because SWBT No. 25 was equivalent |
| No. 16 | because SWBT No. 17 was equivalent |
| No. 17 | because SWBT No. 17 was equivalent |
| No. 18 | because SWBT Nos. 15 and 19 were equivalent |
| No. 19 | because SWBT will provide a CD-ROM within 60-90 days for white page listings |
| Nos. 22, 23, 24 | because SWBT will add SS7, OS/DA, and 911 trunks to measure No. 68 |
| No. 26 | because SWBT Nos. 83 and 88 were equivalent |
| No. 27 | because SWBT Nos. 83 and 87 were equivalent |
| No. 28 | because SWBT No. 82 is mostly equivalent and SWBT agreed to add an accuracy measurement for the manual DA update process |
| No. 30 | because was not relevant given development of physical collocation alternatives |

For CLEC coalition proposed measure No. 25, "Availability of Network Elements," Staff notes that it is possible to calculate the availability factor by using Mean Time Between Failure (MTBF), and Mean time to Repair (MTTR), by using the formula: $A = \text{MTBF} / (\text{MTBF} + \text{MTTR})$. If SWBT is providing MTBF and MTTR data, there will be no need to provide an additional availability measure for UNEs. In fact that this request goes beyond the recommendation; it is simply an overlay over many other performance measures. It is Staff's opinion that the level of monitoring necessary for this measure, since it is not as event driven as others, would out weigh any benefits that would be garnered above and beyond existing measurements.

OPERATIONS SUPPORT SYSTEMS (OSS)

Commission Recommendation No. 1:

OSS shall be addressed in the collaborative process. The Commission believes implementation of both the spirit and letter of these recommendations would lead to an affirmative answer on OSS.

SWBT's Proposal:

SWBT has agreed to address the Commission's OSS recommendations and is participating in the collaborative process. Specific OSS issues are addressed in other OSS recommendations.

CLECs' Comments:

CLECs and other participants are collaborating in the work session discussions and providing feedback on SWBT's proposals, including in some instances alternative proposals or modifications to SWBT's proposals.

Staff Recommendation:

This recommendation is contingent upon successful resolution, through the collaborative process, of the specific OSS recommendations, which follow. However, based on the OSS work sessions held to date, SWBT has made substantial progress in addressing this recommendation: OSS is being addressed in the collaborative process, and SWBT is bringing forth proposals for addressing Commission recommendations.

Follow-Up:

SWBT, along with Staff and participants, shall continue to address the OSS recommendations through the collaborative process. Additional OSS work sessions are planned, and are in the process of being scheduled.

Commission Recommendation No. 2:

SWBT shall establish that all of its OSS systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing are at parity.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

This is a generic recommendation that is dependent on completion of other items. However, based on the OSS work sessions held to date, SWBT has made substantial progress in addressing this recommendation.

Follow-Up:

SWBT, along with Staff and participants, shall continue to address the OSS recommendations through the collaborative process. Additional OSS work sessions are planned, and are in the process of being scheduled.

Commission Recommendation No. 3:

SWBT shall establish that all of its electronic OSS systems for pre-ordering, ordering, provisioning, maintenance and repair, and billing are at parity and provide flow-through without the necessity of manual intervention.

SWBT's Proposal:

CLECs' Comments:

Staff Recommendation:

This is also a generic recommendation that is dependent on completion of other items. However, based on the OSS work sessions held to date, SWBT has made substantial progress in addressing this recommendation.

Follow-Up:

SWBT, along with Staff and participants, shall continue to address the OSS recommendations through the collaborative process. Additional OSS work sessions are planned, and are in the process of being scheduled.

Supplemental Staff Recommendation:

Third-party testing of SWBT's electronic OSS systems will take place in Project No. 20000. This recommendation will be met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention.

Commission Recommendation No. 4:

SWBT shall conform its technical documents to meet the LEX and EDI interfaces. SWBT's LEX and EDI interface, at the time of the hearing, did not sufficiently follow the technical documentation provided by SWBT to CLECs.

SWBT's Proposal:

SWBT's planned release for December 19, 1998 contains all known clean-up issues that CLECs have noticed in testing/usage. SWBT has also revised the format of its accessible letter to show a side-by-side matrix with the changes. SWBT further proposed establishing regular Change Management meetings and an OSS Users' Group composed of SWBT and wholesale users of OSS interfaces in order to handle future issues regarding technical specifications. SWBT indicated in an August 27th filing, that it has tentatively planned an October 26, 1998 meeting with the CLECs to jointly define the parameters of the Change Management meetings and the OSS Users' Group. SWBT has also indicated that further details of the meeting date, location and agenda items will be forthcoming to the industry through an Accessible Letter. (Note: SWBT's Accessible Letters are now on SWBT's website, at: www.clechb.com.)

Supplemental Information:

SWBT stated that it cannot accelerate the December 19, 1998 release. That date was ambitious when developed, and SWBT has since made additions to the release; acceleration, therefore, does not appear to be possible.

The initial change management meeting took place on October 26th. The plan for that meeting was to allow the participants to establish the scope of the process, the frequency of the meetings, the agenda for meetings, and determine how that process would be managed going forward. SWBT believes these meetings are a means for two-way dialogue on a recurring basis regarding planned changes to SWBT's interfaces, based on input from SWBT and the CLEC customers. As a part of that process, SWBT introduced a new tool for change management, the 12-Month Plan. That 12-Month Plan has been offered by SWBT to provide, as a planning means, a high-level description of things that SWBT has planned for implementation over the next 12 months on a quarterly release basis.

In response to Westel's concern regarding the existence of a separate accessible letter list for OSS, SWBT agreed to add any clarifications necessary to notify CLECs which categories exist for registration purposes.

In response to e.spire's concerns, SWBT stated that the EDI change management process does provide both initial notification and final notification, as well as pre-initial notification, an enhancement added by the 12-Month Plan.

CLECs' Comments:

MCI did not agree with the process SWBT used in developing the December 19, 1998 release. MCI would have preferred more CLEC participation. MCI believes the process did not conform to change management process. AT&T agreed with SWBT that all of the deviations that AT&T encountered during testing had been addressed.

Supplemental Information:

e.spire: Although SWBT has taken a good step forward with the 12-month planning development document, the accessible letter process needs improvement. Those letters need to be more user friendly. For example, the format used by Bell Atlantic is more usable by a CLEC's internal clerks when receiving this information. It allows better prioritization and distribution within the CLEC. (SWBT agreed to pass this suggestion on to the accessible letter team. e.spire also provided a change management principals document developed in the Bell Atlantic territory.)

MCI/Worldcom: With regard to the change control meeting that took place after the work session, MCI raised concerns that the CLECs did not have a formal opportunity to provide input to the agenda for that meeting. MCI believes the following topics need to be resolved: the definition of the user groups, frequency of the meetings for those user groups, meeting frequency of the CCP teams if different than the user groups, if teams are established that are different than the user groups, a definition of what they are and the frequency of the meetings for those teams, development of a formalized change management request form/tracking document to manage CLEC input as well as SWBT input and to track that on a going forward basis, and whether the GUI and industry CCP processes can be combined into a common or single change management program versus two separate ones. (SWBT noted that the structure of the change management meetings was to be a topic in the initial meeting).

MCI/Worldcom also believes that the change control process for the GUI interfaces, the non-industry standard interfaces, is not complete. The parties met once on it and have not met since then. MCI also raised concerns about having two separate management processes, the lack of recurring meetings and the need to consolidate the two processes into one. (SWBT countered that there are two separate change control documents because there are differences as to how the change management process works with those two different types of interfaces.)

AT&T noted that it has found some mapping errors in SWBT's EDI-8 development, and AT&T acknowledges some errors on its part as well. These deviations are being addressed cooperatively; however, they have not been resolved to date. AT&T agreed to report to the Commission on any documentation discrepancies that result from its testing, which will be completed on November 19th.

Staff Recommendation:

It is difficult for Staff to assess whether the December 19, 1998 release will effectively address this recommendation without reviewing the release and obtaining the input of SWBT's wholesale customers, although, as described, the 12/19 release appears to correct all known deviations. Although Staff would like to see SWBT accelerate the release date, Staff is also willing to consider other evidence in existence at this time that would show that the 12/19 release will effectively address this recommendation. Staff finds it encouraging that SWBT attempts to address future technical specification issues by establishing regular Change Management meetings with all interested CLECs and forming an OSS User Group. During the collaborative session on August 13, 1998, SWBT and the wholesale customers agreed to establish regular Change Management meetings and form an OSS Users Group to formalize escalation procedures, discuss change management issues, standardize request procedures and discuss other technical specification issues.

Follow-Up:

Staff proposes that SWBT report in a future collaborative session as to the possibility of accelerating the 12/19/98 release or presenting other evidence that would show that the 12/19 release will address this recommendation, and that both SWBT and the CLEC wholesale customers report on the viability and usefulness of the Change Management meetings and the OSS Users Group to address continuing technical specification issues. Staff believes that if the 12/19 releases addresses existing problems and the Change Management meetings and the OSS User Group proves to be a viable forum/vehicle for resolving these issues in the future, this recommendation will be satisfied.

Supplemental Staff Recommendation:

Met, if third-party testing verifies that the interfaces, built with the technical documentation provided by SWBT to CLECs, provide parity and SWBT follows Staff's recommendations regarding the change management meetings. Staff believes that successful resolution of this issue is critical to Section 271 approval given the FCC's previous Orders construing Section 271, and is encouraged by SWBT's efforts to bring the technical documentation in conformance with the interfaces.

Although SWBT was not able to accelerate the December 19, 1998 release date, Staff believes that SWBT's efforts to accelerate other issues into that release, e.g., real-time return of FOCs and SOC's, is critical to Section 271 approval. Staff has reviewed the accessible letter with the side-by-side LSOR requirements. With that review and AT&T's representations that all of the deviations known to it are covered, Staff believes this recommendation will be met after third-party testing verifies that the interfaces, built in part with the 12/19 release, provide parity and the issues relating to change management are addressed. Issues relating to the format of accessible letters shall be included in the public interest section and, on an ongoing basis, in the OSS user group meetings.

Concerning the mapping of EDI-8, Staff believes that third-party testing will verify whether problems exist that need to be resolved prior to Section 271 approval.

Concerning the existence of two separate documents, there appears to be some substantial differences between EDI and SWBT's proprietary interfaces. Particularly, CLECs must build a gateway and create business rules to interact with SWBT's EDI. This is not necessarily true with SWBT's proprietary interfaces. For this reason, different change management documents are reasonable because procedures, such as lead-time before a change, are likely to be different because they would be based on different considerations. As part of the ongoing process, a change management meeting shall be scheduled to complete development of the proprietary interface document.

As to the change management process established by SWBT, Staff initially found the concept outlined by SWBT to be encouraging; Staff, however, is concerned with the report received from MCI. In collaborative sessions, SWBT stated, as discussed above, that the plan for that meeting was to allow the participants to establish the scope of the process and the frequency of the meetings, the agenda for meetings, and to determine how that process would be managed on a going forward basis. In a November 5, 1998 letter, MCI characterized the first change management meeting as meaningless. MCI also stated that SWBT indicated that the next change management meeting would be sometime in the first quarter of 1999. When the CLECs objected and requested monthly meetings, SWBT "reluctantly" scheduled the next meeting for December. SWBT did not indicate its willingness to hold monthly

meetings beyond December. As discussed above, MCI also complained that it was not able to be involved in planning the agenda and MCI mentioned several issues it wanted to see covered in a change management process.

Staff believes that the change management meetings suggested by SWBT are absolutely critical in the area of OSS, where national standards are evolving over time and carrier-to-carrier testing is taking place. Staff believes the following steps must be taken by SWBT in order to meet this recommendation:

- *SWBT must commit to holding monthly change management meetings;*
- *SWBT must provide the interested CLECs with the timely ability to establish the agenda for the meetings and SWBT must exhibit a sincere interest in addressing the issues raised by the CLECs;*
- *SWBT must submit the minutes of the meeting to the CLECs and allow the CLECs five business days to have input into those minutes before filing them with the Commission;*
- *If SWBT refuses to incorporate changes to the minutes suggested by a meeting participant, SWBT shall file that CLEC's comments along with the minutes; and*
- *Within two weeks after each change management meeting, SWBT (or a CLEC if all parties agree) shall file the minutes of the change management meeting with the Commission under this project number.*

Staff intends the change management process to continue after Section 271 approval is granted by the FCC and intends it to be a meaningful vehicle for discussing and resolving problems relating to OSS.

Commission Recommendation No. 5:

SWBT shall modify LEX to better integrate LEX with VERIGATE, a pre-ordering apparatus. SWBT should develop the capability necessary to allow more efficient order preparation, beyond "Cut and Paste" functionality, in order to prevent a CLEC's sales representative from re-keying certain information multiple times when it is not necessary. SWBT's LEX system, at the time of the hearing, could not be used in a manner reasonably comparable to the EASE interface used by SWBT for its retail operations.

SWBT's Proposal:

SWBT developed cut-and-paste functionality between Verigate and LEX. (As was seen in the AT&T demonstration). SWBT has also implemented a notepad/clipboard functionality at Staff's request that should alleviate the need to toggle back-and-forth between Verigate and LEX. (8/27/98 filing by SWBT) SWBT, however, has not further integrated LEX and VERIGATE. SWBT maintains that such integration is too costly from a time and money perspective.

Supplemental Information:

SWBT demonstrated the clip board as a method to assist users of LEX and Verigate. Some of the things SWBT's demonstration showed include that what's pasted into the note pad/clip board can be used for some other features. It can be saved into a word document. Key information can be gathered for a customer and printed. Also, SWBT demonstrated a capability, which existed earlier but was not shown in the earlier LEX/Verigate demonstrations, to arrange vertically, side-by-side, multiple programs – e.g., Verigate and LEX together, the clip board and Verigate together, or the clip board and LEX together – and copy from one of those programs to the other.

CLECs' Comments:

All of the CLECs prefer a full integration of preordering functionality into LEX. As a secondary option, many CLECs responded favorably to the Notepad concept in the collaborative session. AT&T raises the issue of whether the clipboard concept is technically feasible. Assuming it is technically feasible, AT&T expresses concern that the "notepad" or "clipboard" concept will not improve the existing, limited copy and paste capability but will instead add additional steps making LEX even less attractive and even more awkward in a customer care environment.

Supplemental Information:

CLECs pointed out that the clip board functionality did not remedy the concerns relating to pasting information from the fields in one application into the other application when the field formats differ. Also, concerns were raised as to whether the clip board actually provides CLECs any additional functionality or whether it really adds an additional step, albeit an optional step. There were also discussions relating to an issue that was discussed in a prior session; whether additional prepopulation flow within LEX is appropriate for items that do not necessarily have to be identical but which in most cases are, e.g., telephone numbers, addresses, and names.

There was some discussion of addressing the prepopulation issue in the OSS users group as well as the

problems additional auto-population could cause. (SWBT raised some concerns that prepopulating could result in incorrect information and SWBT did not want to be held responsible, e.g., if a police officer's home telephone number were published when it shouldn't be.)

MCI/Worldcom provided some additional auto-population recommendations, which were to be a topic at the initial change management session.

AT&T believes that it is clear that LEX is not adequate as a negotiation tool, but instead is better used as an after-the-call order taker. SWBT stated a similar thought during the demonstration. AT&T extrapolated that this fact creates a greater need to a fully integrated LEX with preordering interfaces to have parity with EASE.

Staff Recommendation:

During the August 13, 1998 collaborative session, there was a great deal of discussion about the cost (from a time and money standpoint) of integrating LEX and VERIGATE. In response to questions as to what the time and expense would be, SWBT indicated that it would be too time consuming and costly to develop such an estimate, although they did a "high level" estimate of what such integration would cost in California for PacBell. Staff needs further information, specifically that discussed below in follow-up, before it can determine if this Recommendation has been met.

Follow-Up:

SWBT indicated in the August 13, 1998 collaborative session that it would get back to Staff on the issue of whether SWBT would provide Staff with the California estimate. SWBT has not produced that information. Staff needs that information in order to make a final recommendation on whether this issue is adequately addressed. In order to assess whether the clipboard concept could replace integration of LEX and VERIGATE, Staff believes it would also be necessary to review the clipboard functionality.

Supplemental Recommendation:

Met. It is Staff's understanding that SWBT is relying upon its EDI system as evidence that it provides an electronic OSS system that is at parity with what it provides to its retail side. It is also Staff's understanding that LEX/Verigate is only a secondary option. As discussed in the FCC's Second BellSouth Order, SWBT needs to provide the ability for a CLEC to develop an integrated preorder/order tool in its EDI in order to satisfy Section 271. The EDI solution provides the integration required by the FCC, while LEX/Verigate is a satisfactory alternative for CLECs that do not wish to implement EDI. (SWBT must remain flexible; therefore, if CLECs are willing to pay the cost of creating an integrated GUI interface, SWBT shall be required to do the development work.) Although the clipboard is not a perfect solution, it does provide additional functionality to those CLECs that do not choose to develop their own EDI.

Staff notes that, although SWBT has made several demonstrations of its EASE and LEX/Verigate systems, SWBT has not, to date, demonstrated its EDI system because EDI is an application-to-application interface, and, during the course of this proceeding, no CLEC had reached the point where EDI could be demonstrated. Given the FCC's Orders in the recent BellSouth Louisiana application and the original Ameritech Michigan application, it is clear that, were SWBT relying upon LEX, it would fail to meet the

standards established by the FCC for integration of preordering and ordering. SWBT has represented in affidavits in the 271 hearing and in collaborative sessions that Datagate can be fully integrated with EDI by a CLEC for preordering and ordering functions. Since that capability has not been reviewed at all by this Commission, Staff believes that testing of current EDI/Datagate integration capability must be conducted to assure that SWBT's systems meet the criteria set forth by the FCC.

Concerning autopopulation, further movement toward autopopulation shall be addressed in the change management process. All LEX users, not just the 271 participants, should be involved before an industry consensus can be formed to autopopulate fields that may be incorrect. Otherwise, risks will be borne by users that have not had the ability to participate, e.g., CLECs using LEX in other SWBT states that are not CLECs in Texas and are therefore not participants in this proceeding.

Commission Recommendation No. 6:

SWBT shall undertake further development of LEX and EDI to achieve the flow through capabilities for both UNE and Resale orders. LEX and EDI's electronic flow through, at the time of the OSS demonstration, was not sufficiently comparable to that of SWBT's EASE system to provide nondiscriminatory access to CLECs. Further flow through capability is necessary. SWBT shall provide data on the rejection rate for orders processed to demonstrate the new flow through capability achieved through Phase I implementation.

SWBT's Proposal:

1. Phases I and II for achieving flow-through for most order types and UNE comparables that can be handled through EASE had been completed prior to the 8/14 work session, and implementation of Phase III flow through was scheduled for August 30th. (Flow through of error rejections is addressed in OSS Recs. 12, 18, 19, and 20).
2. SWBT has added several more edits to LASR from SORD, and is in the process of moving additional edits from SORD to LASR to make the error notification process more efficient.
3. If an order has flowed through to the point that it distributes in SORD, the original typist ID will remain on the order at the time of distribution and completion; a SWBT typist ID shows up in order status if SWBT has to manually correct a SORD error. SWBT will enhance order status to display the typist ID field generated on service orders by SORD. The enhancement is scheduled for the November release of Order Status.

CLECs' Comments:

1. CLECs raised concerns related to the return of errors, which will be addressed further under OSS Recs. 12, 18, 19, and 20. One concern was that there is currently no electronic reject notification back to the CLEC if an order falls out with a SORD error prior to distribution in SORD, and therefore requires manual intervention by SWBT.
2. AT&T raised a concern regarding some order types that can be handled with Business EASE but not LEX or Verigate (SWBT responded that the order types mentioned by AT&T have not obtained an OBF standard, to date, but will be addressed in future phases once standards are developed.)

Staff Recommendation and Follow-Up:

Further development is necessary to address this recommendation. Flow through must be defined in a manner that assures parity. Staff will be receiving follow-up materials from SWBT and CLECs including:

1. underlying data SWBT used for its internal testing of Phases I and II of its MOGable process;
2. forecasts, or updates to previous forecasts, due on September 9, 1998, on the number of orders CLECs foresee submitting to SWBT (the forecast information shall be used to evaluate the capability and capacity of SWBT's OSS);

3. briefs stating positions on what constitutes (a) flow-through and (b) commercial volume in relation to OSS, and how flow-through and commercial volume should be measured are due on September 17, 1998. Third party and carrier-to-carrier testing of SWBT's OSS is also to be addressed in briefing the issue of commercial volume. Participants advocating testing for commercial volume purposes shall discuss in detail the type of proposed testing; and

4. the AT&T document relating to missing order types (order types that can be handled with Business EASE but not LEX or Verigate);

Further discussion regarding the follow-up materials and implementation of an electronic process for LIDB is necessary. Additional OSS work sessions are planned, and are in the process of being scheduled.

Supplemental Staff Recommendation:

Third-party testing of SWBT's electronic OSS systems will take place in Project No. 20000. This recommendation will be met when third-party testing verifies that SWBT's systems provide parity flow-through of commercial volume without the necessity of manual intervention. The issue of error returns is discussed under OSS Recommendation Nos. 12, 18, 19 and 20.

Commission Recommendation No. 7:

SWBT shall demonstrate that improved flow through capability enables SWBT's OSS to handle commercial volumes.

SWBT's Proposal:

SWBT states that the testimony it provided demonstrates its capacity well beyond CLEC forecasts. By creating further flow through, greater capacity to handle commercial volumes was assured. Also, moving more edits from SORD to LASR created greater efficiency and thereby capacity.

Supplemental Information:

SWBT has proposed carrier-to-carrier testing with Commission oversight as a superior, more time efficient method to third party testing.

CLECs' Comments:

AT&T and others argue that commercial volumes have not been demonstrated and that stress testing is necessary.

Supplemental Information:

CLECs believe a third party would have the greatest ability of determining parity.

Staff Recommendation:

Further discussion regarding the follow-up materials is necessary. Staff will review updated forecasts and briefs before developing an opinion as to commercial volumes. Additional OSS work sessions are planned, and are in the process of being scheduled.

Follow-Up:

SWBT and CLECs shall file additional materials including:

1. CLECs shall file forecasts, or updates to previous forecasts, by September 9, 1998, on the number of orders CLECs foresee submitting to SWBT (the forecast information shall be used to evaluate the capability and capacity of SWBT's OSS);
2. SWBT shall file an update as to orders handled; and
3. CLECs and SWBT shall file briefs by September 17, 1998, stating positions on what constitutes (a) flow-through and (b) commercial volume in relation to OSS, and how flow-through and commercial volume should be measured. Third party and carrier-to-carrier testing of SWBT's OSS is also to be addressed in briefing the issue of commercial volume. Participants advocating testing for commercial volume purposes shall discuss in detail the type of proposed testing.